GOVERNMENT OF INDIA
TOURISM
LOK SABHA

UNSTARRED QUESTION NO:4094
ANSWERED ON:03.05.2007
INCENTIVES OF TOURISM INDUSTRY
Badiga Shri Ramakrishna

Will the Minister of TOURISM be pleased to state:

(a) whether new ten- year no- tax regime has been proposed for tourism industry;

(b) if so, the details thereof;

(c) whether the Government proposes to encourage investments from non-tourism sector through a package of incentives;

(d) if so, the details thereof; and

(e) the other steps proposed to be taken to promote tourism projects in the country particularly in hilly/ rural areas and pilgrim centers?

Answer

THE MINISTER OF TOURISM AND CULTURE (SMT. AMBIKA SONI)

(a), (b), (c) and (d): The Ministry of Finance in their budget proposal 2007-08 has proposed income tax holiday for hotels for a period of five years. The incentive is available for hotels in the 2, 3 and 4- star category which would complete construction between 1-4-2007 upto 31-3-2010. The incentive is only available in NCT Delhi, districts of Gurgaon, Faridabad, Ghaziabad and Gautam Budh Nagar. There is subsidy assistance available for 1 to 3 star category hotels and subsidy to Large Revenue Generating projects under the schemes of the Ministry of Tourism.

(e): The Ministry of Commerce and Industry (Department of Industrial Policy and Promotion) have announced packages for the hill States of Jammu & Kashmir, Sikkim, Himachal Pradesh and Uttaranchal by way of concessions under Excise Duty, Income Tax Exemption and Investment Subsidy etc. for certain identified thrust industries, including Eco-Tourism industries set up in these States. The Ministry of Tourism under its various schemes provide financial assistance for the development of rural tourism and pilgrim centres. Under the North East Industrial and Investment Promotion Policy (NEIIPP), 2007, hotels (not below 2 star category), adventure and leisure sports including ropeways are eligible for all incentives.